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SUBJECT: ATOMSTROYEXPORT'S APPROACH TO THE "NUCLEAR
RENAISSANCE"

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¶1. (SBU) During a recent meeting at a Moscow think-tank, an official from Atomstroyexport outlined priorities for the construction of Russian nuclear power plants abroad. China, India, Iran, and Bulgaria are their top target markets. The official downplayed the importance of the failure of Russia and India to sign a nuclear cooperation deal during PM Singh's recent visit to Moscow. End Summary.

"We're all Realists"

¶2. (SBU) On December 13, Alexei Ubeev, deputy head of Russia's nuclear export company Atomstroyexport, chaired a meeting at the Center for Policy Studies in Russia (PIR), a prominent Moscow think-tank specializing in nonproliferation and security issues. The seminar dealt with Russia's role in the "nuclear renaissance." The seminar included representatives from the MFA, diplomatic missions, and academic institutions. Ubeev provided an overview of recent consolidations and international activities of major Western nuclear companies, including Westinghouse-Toshiba and Areva.

¶3. (SBU) In characterizing the recent increase in international nuclear cooperation deals, Ubeev observed that "we're all realists." Economic and market forces, not political calculations, are driving deals. He cautioned that geography and existing market penetration largely determined where the big players would succeed. For example, Westinghouse and Areva have captured the North American and Western European markets. While Africa and South-East Asia have little experience and weak infrastructure to ride the nuclear renaissance wave, India and China, with their booming economies, represent the greatest potential.

India and China: Key Nuclear Markets

¶4. (SBU) Ubeev ranked Atomstroyexport's priorities over the coming years as follows: 1. Bulgaria, India, China, and Iran; ¶2. Kazakhstan, Armenia, Slovakia, Czech Republic; 3. Turkey, Morocco, and possibly Egypt. He said the Indian market was "very interesting." However, he warned that there are two big obstacles that need to be overcome before expanding operations in India: nuclear trade restrictions by the Nuclear Suppliers Group (NSG) and lingering questions over IAEA safeguards at India's civilian facilities. He dismissed media reports noting failure to sign a Russia-India nuclear cooperation deal during PM Singh's visit to Moscow last month. Ubeev said that Russia can still continue construction of two reactors at Kudankulam despite NSG restrictions because the 1988 agreement for their construction has a grandfather clause.

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